THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) Some cases of misuse of export benefits to Russia/Moscow have been noticed. However, the financial loss, if any, caused to the exchequer in those cases is not quantified, yet.

(b) Yes, Sir.

(c) and (d) During the last two years, the Enforcement Directorate have taken up investigations in two cases of suspected misuse of Escrow account.

Sluggishness in Primary Market

2455. DR. ALLADI P. RAJKUMAR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Economic Survey has indicated that the primary market remained sluggish during 1996-97;

(b) if so, the broad reasons therefor; and

(c) what steps Government propose to take to improve the market position?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. P. VEERENDRA KUMAR): (a) and (b) The general downtrend in the secondary market and the stricter entry norms for companies introduced by the Securities and Exchange Board of India (SEBI) were responsible for reduction in the number of companies accessiong the primary market. Stricter entry norms would ensure that only good companies come into the market.

(c) Important stops taken to revive the market include:

(i) SEBI has introduced stricter entry norms for companies proposing to access the primary capital market;

(ii) SEBI has reduced the minimum application size to Rs. 200 from 5000 to encourage small investors to subscribe to new issues;

(iii) listing of debt security without listing of equity has been allowed;

(iv) exchanges have been allowed to expand their trading terminals to locations outside their place of operations; and

(v) the first depository, National Securities Depository Limited has been set up for simpler trading in securities.

Exempting Cyclone Relief Goods from Duty

2456. DR. ALLADI P. RAJKUMAR: Will the Minister of FINANCE be pleased to state:

(a) whether the Government have recently exempted cyclone relief goods from duty;

(b) whether said decision has helped in getting good response from exporters for relief and rehailitation to these cyclone victims in Andhra Pradesh;

(c) whether Government propose to provide more concession so that more relief comes to the people of Andhra Pradesh who are affected by the cyclone; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) Yes, Sir. The Government has issued notification Nos. 2/97-Customs and 1/97-Central Excise both dated 15.1.97 providing full exemption from customs and excise duties to goods imported/manufactured and donated for the relief and rehabllitation of the cyclone affected people of Andhra Pradesh. Both these exemptions are valid upto 30.6.1997.

(b) No data is available in this regard.

(c) and (d) Since the notifications grant full exemption from both customs and excise duties on all goods donated for the relief and rehabilitation of the

cyclone victims, the question of giving further concessions in customs and excise duties does not arise.

Newsitem Regarding Tax Evasion by Railway Cable Supplier

2457. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the newsitem captioned "Tax evasion by Railway cable supplier" as reported in the Hindustan Times dated the 28th January, 1997;

(b) if so, the facts and details thereof;

(c) whether Government propose to blacklist those companies from awarding Government contracts involved in evasion of taxes; and

(d) if so, the facts and policy of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) and (b) Yes, Sir. A case has been booked by the Commissionerate, Central Excise, Delhi against M/S Gautam Cables Industries, for allegedly supplying cables to the Railways on the strength of fake invoice, thereby collecting the excise duty from the Railways, but misappropriating the same. In doing so, they have suppressed the figures of production and clearances from the Central Excise Department. One person has been arrested in this case.

(c) and (d) Information is being collected and will be laid on the Table of the House.

Meeting of Bank Officers Union with MOF regarding appointment of officer nominee directors

2458. SHRI N. GIRI PRASAD: SHRI GURUDAS DASGUPTA:

Will the Minister of FINANCE be pleased to state:

(a) whether a meeting of Bank Officers Unions was held with the Ministry of Finance, Banking Department, in November, 1996, regarding the appointment of officers nominee director on the Board of nationalised banks;

(b) if so, the details thereof;

(c) whether in 5-6 Banks the posts of officer employee director are vacant and in 10-11 Banks the tenures of officer nominee director have expired, if so, the details thereof;

(d) whether in the above meeting the Ministry of Finance assured the representatives of officers' unions to expedite the process for appointing the directors; and

(e) if so, the action taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) to (e) Nomination of officer employee directors on the boards of nationalised banks are made in accordance with the criteria and procedure prescribed in the relevant statutes and Government's guidelines in this regard. The guidelines were revised in July, 1995. Representations were received from some national level bank officers' organisations regarding the revision of the guidelines. A meeting was held in the Ministry of Finance (Banking Division) in November, 1996 with the representatives of some national level bank officers' associations to discuss the matter. In the light of the representations and the discussions, re-examination of the guidelines became necessary.